

Corporate Governance Report

COMMUNICATIONS WITH SHAREHOLDERS AND INVESTORS

The Company believes that effective communication with shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Group also recognises the importance of transparency and timely disclosure of corporate information which enables shareholders and investors to make a properly informed investment decision.

The Company continues to enhance communications and relationships with its investors. Enquiries from investors are dealt with in an informative and timely manner. Investors may write directly to the Company at its principal place of business in Hong Kong for any inquiries.

To promote effective communication, the Company maintains a website at www.suncitygroupholdings.com, where extensive information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are available for public access.

The Board confirmed that, during the year, there were no significant changes made to the Articles affecting its operations and reporting practices.

SHAREHOLDER RIGHTS

Pursuant to article 58 of the Articles of the Company, extraordinary general meetings (the "**EGM**") of the Company shall be convened on the requisition of any one or more shareholder(s) (the "**Requisitionist(s)**") holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company.

The Requisitionist(s) shall have the right, by written requisition to the Board or the company secretary of the Company, to require an EGM to be called by the Board for the transaction of any business specified in such requisition; and the EGM shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting, the Requisitionist(s) may do so in the same manner, and shall be entitled to reimbursement of all reasonable expenses incurred by the Requisitionist(s).

Specific enquiries by shareholders requiring the Board's attention can be sent in writing to the Board or the company secretary of the Company at the Company's principal place of business in Hong Kong.

In addition, the Company maintains contact with its shareholders through AGMs or EGMs, and encourages shareholders to attend those meetings.

Notice of general meeting is sent by mail to the registered shareholders of the Company. Agenda and resolutions are set out in the notice of general meeting. A proxy form for use at a general meeting is enclosed with the notice. Shareholders who do not intend or are unable to be present at the meeting should fill out the form and return the same to the Hong Kong branch share registrar and transfer office of the Company, so as to appoint a representative, another shareholder or the chairman of the meeting as their proxy.

Environmental, Social and Governance Report

ABOUT THIS REPORT

This report highlights Suncity Group Holdings Limited (the “**Company**”) and its key operations’ (collectively referred to as “**Suncity**”) Environmental, Social, and Governance (“**ESG**”) performance, for the purpose of assisting all stakeholders in understanding Suncity’s ESG concepts and practices in achieving sustainable development for the future. The Report complies with the disclosure requirements set out in the ESG Reporting Guide as described in Appendix 27 of the Main Board Listing Rules on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Reporting Boundary

The ESG Report covers Suncity’s overall performance in two subject areas, namely, environmental and social, of its key business operations (“**Key Operations**”) as listed below, for the period from 1 January 2021 to 31 December 2021 (the “**Reporting Period**”), unless otherwise stated.

The Key Operations that this report covers include:

- i. property development in Guangdong, and Anhui Provinces in the People’s Republic of China (the “**PRC**”);
- ii. provision of property leasing management service in the PRC (“**Dongyang Xinguang**”);
- iii. development and operation of an integrated resort in the Philippines;
- iv. an integrated resort in Vietnam (“**HOIANA**”) (Note 1);
- v. an integrated resort Tigre de Cristal in the Russian Federation (Note 2);
- vi. potential property development in Japan;
- vii. provision of travel related products and services in Macau;
- viii. provision of hotel and integrated resort general consultancy service in Vietnam; and
- ix. the headquarters in Hong Kong.

Note 1 Suncity indirectly owns approximately 34% equity interest in through a joint venture of Suncity, the revenue of which was not booked in the account of the Company.

Note 2 Suncity holds approximately 69.66% equity interest in Summit Ascent Holdings Limited, which holds 77.5% controlling interest of Tigre de Cristal.

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Reporting Principles

The preparation of the ESG Report has applied the following principles:

Materiality – materiality assessments have been carried out to identify material environmental and social issues that have major impacts on investors and other stakeholders, the significant stakeholders, process, and results of the engagement of which are presented in the section “Stakeholder Communication” in the Report.

Quantitative – key performance indicators (“KPIs”) have been established and are measurable and applicable to make valid comparisons under appropriate conditions; information on the standards, methodologies, assumptions, and/or calculation tools used, and sources of conversion factors used, have been disclosed when applicable.

Consistency – consistent statistical methodologies and presentation of KPIs have been used to allow meaningful comparisons of related data over time.

Balance – all available information has been reported impartially with concrete figures and supporting documentation; no selections, omission, or presentation formats that may inappropriately influence a decision or judgement by the report reader have been made throughout the whole reporting process.

ESG COMMITMENT

Being part of the property-related and tourism-related industries implies that Suncity’s operations could impose effects on a wide variety of people, the environment in adjacent areas, and their habitats. With due consideration, Suncity is committed to putting emphasis especially on employees’ benefits and their health and safety, the use of natural resources, attention to people living in nearby communities, as well as supply chain management on such aspects.

Such commitment is enacted by closely following and strictly complying with all relevant laws, regulations, and policies across different jurisdictions. It is also expected that a series of more detailed policies and target sets regarding such issues will be developed for better monitoring and measurement of Suncity’s ESG performance. The board of directors of Suncity (the “**Board**”) will continue to explore ways to further strengthen the ESG governance of Suncity.

Statement from the Board

As a leading conglomerate that operates across various sectors, the Board is fully aware of the sustainability and ESG issues associated with Suncity. It is of paramount importance that Suncity strikes a balance between protecting the environment and creating social values while achieving commercial returns and maintaining profitability. When such issues are properly addressed, Suncity’s social responsibility can be demonstrated bringing greater value to its shareholders. The Board is committed to taking overall responsibility for Suncity’s ESG strategy and reporting. For this purpose, ESG risk has been incorporated in part of Suncity’s risk management agenda, and relevant internal control systems have been put in place.

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Governance Structure

The Board takes an overall lead in managing Suncity's ESG policies and initiatives, providing directions and supervising their implementation and performance. Together with the risk management committee of the Company, they oversee any risk exposures that have not been identified and addressed.

The Board has delegated management of Suncity to be responsible for coordinating the implementation of Suncity's environment, employment and labour practices, operating practices, service quality assurance, and community investment policies.

Management regularly monitors and reviews communications with internal and external stakeholders to continuously improve its ESG management approach and strategy. Professionals and legal advisors are also consulted for any relevant and challenging issues, to ensure that all topics are covered and understood. When material issues are found, they are evaluated and assessed. The Board would also be informed of such assessments such that they have an overview of what the significant topics are. Topics that are considered high-risk take priority when measures are being developed.

A transparent approach is taken when developing policies and undertaking evaluations to ensure that all decisions made are sustainable, effective, and practical. Communication with stakeholders is also maintained to keep constructive advice and stakeholder-oriented measures present.

Key Highlights of Our ESG Policies

Suncity adheres to the following principles when carrying out its daily operations:

- Strictly follow all applicable laws and regulations under the legal framework of the corresponding jurisdiction
- Firmly withdraw from taking any actions or using any products which may harm the environment
- Actively communicate with employees and care for their basic rights, health and safety, and personal developmental needs
- Demonstrate as a corporate with high moral standards that are kind to the natural environment
- Promote environmental protection awareness throughout all levels of its operations and to its clients
- Cooperate and support measures aimed at community improvement as required by relevant regulatory bodies or authorities

Memberships and Awards

Suncity's property development and leasing operations are members of certain bodies that function to establish communications within local communities, share safety and hazard-related information, and update industrial knowledge.

They have also received several certifications and awards honouring them for improving the safety of neighbourhoods, as well as of their workplace, and being a sponsor of supporting events for the disadvantaged.

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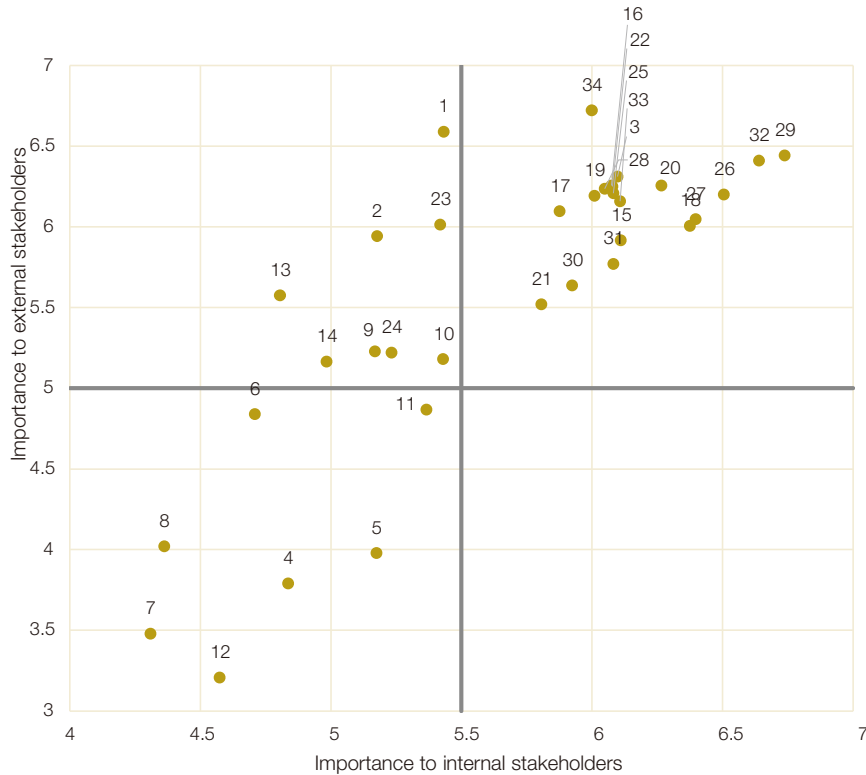
HOIANA has been accredited with LEED (Leadership in Energy and Environmental Design) and GEO (Green Energy Office) for its sustainable building design. In the upcoming year, it aims to obtain more certifications as a recognition for its efforts in promoting quality management system, food and beverage management, as well as to push forward and operate to the Global Sustainable Tourism Council in Vietnam.

Stakeholder Communication

Considering the wide range of businesses that Suncity engages in, Suncity closely communicates with its stakeholders through various channels to understand their concerns and expectations and identify significant issues which may pose risks to the business operations. To achieve so, the Company has set out the full spectrum of stakeholders by consulting various departments within Suncity and leveraged on the on-going communication channels and day-to-day interactions to engage these stakeholders.

During the Reporting Period, Suncity has specifically engaged with members of the Board, senior management, employees, shareholders, clients, customers, tenants, and external consultants to gain further insights on material aspects and challenges via annual general meeting, company’s website, press release, staff meetings, satisfaction surveys, daily contacts, and questionnaires. From the questionnaire, a materiality assessment was undergone for Suncity to better identify, prioritise, and address issues that stakeholders felt important. The materiality assessment is as follows:

Suncity Materiality Matrix 2021



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Number	The most important topics identified (top right quadrant)
Operating practices	
29	Data protection and privacy
32	Anti-corruption, bribery, extortion, fraud and money laundering mechanism
26	Customer service quality
27	Quality assurance of products and services
28	Consumer welfare
25	Customer security and food safety
31	Advertising and labelling
30	Intellectual property rights
Employment and labour practices	
18	Communication with employees
20	Employee training and career development
16	Employee remuneration and welfare
22	The Group's response to COVID-19 to protect employees
15	Recruitment and dismissal
19	Occupational health and safety
17	Diversity, equal opportunities and anti-discrimination
21	Labour standards
Community	
33	Support for local community development
34	Community communication
Environmental	
3	Environmental compliance

According to the matrix, the most material topics to stakeholders are:

1. Data Protection and privacy
2. Anti-corruption, bribery, extortion, fraud, and money laundering mechanism
3. Customer service quality
4. Quality assurance of products and services
5. Consumer welfare

While Suncity has always been attentive to such topics, it is determined that it will place more resources in addressing any flaws in the system to fulfil its stakeholders' expectations.

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Stakeholders' Feedback

Suncity welcomes stakeholders' feedback on its ESG approach and performance. Any stakeholder is welcome to give suggestions or share views with Suncity via email at ir@suncitygroupholdings.com.

OUR ENVIRONMENT

Suncity attaches great importance to the environment when carrying out its business activities and understands its role in fighting climate change. It complies with all applicable laws and regulations concerning the environment. Suncity hopes to see an improving trend in its environmental performance in the future. To facilitate that, employees of all levels and departments are encouraged to keep environmental protection a key consideration when making business decisions. Different programmes and trainings would be put in place such that the overall environmental protection awareness of Suncity would increase to realise the targets.

Climate Change

Suncity acknowledges that it has a role in limiting climate change, and that climate change may impose an impact in limiting Suncity's operations. To better identify and address the risks involved, Suncity is committed to looking at climate change issues together with other ESG issues. This means the Board will take lead to investigate on climate-change related matters, which will be supported by management. When material aspects are identified, policies shall be formulated to address them.

With climate change issues considered, Suncity may be threatened by both physical risks and transition risks. For all Suncity's operations, event-driven extreme weather may disrupt supply chains which would interrupt business activities and affect revenues; and to meet with newly enforced laws and regulations and market driven changes as a response to climate change, a cost may be incurred to Suncity. For Suncity's properties and integrated resorts especially, extreme climatic events, whether sea level rise, snowstorms or super hurricanes, may also cause direct damage to Suncity's assets. It is therefore of paramount importance that Suncity takes such risks into consideration to prevent any loss.

That being said, Suncity remains hopeful knowing that it can bring positive impacts to the environment. Understanding its more significant environmental effects as the emissions of air pollutants and greenhouse gases from the consumption of purchased electricity and fuel, and the generation of certain waste from daily operations, guiding policies have been established to improve Suncity's environmental performance.

During the Reporting Period, Suncity did not note any cases of material non-compliance relating to air and greenhouse gas emissions, discharge into water and land, and the generation of hazardous and non-hazardous waste.

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Emissions

Air pollutants and greenhouse gas (“GHG”) emissions are significant factors to address in combating climate change. To reduce emissions, only high-quality fuel is used within Suncity’s fleet. Where appropriate, Suncity uses electric buggies to reduce emissions. Suncity also tends to choose suppliers that are closely located to its operations, so that emissions caused by transport between the suppliers and the operation can be minimised. For other reduction measures and policies related to Suncity’s energy consumption of purchased electricity and fuel, please refer to the corresponding section.

During the Reporting Period, the Key Operations of Suncity generated 18.60 kg of sulphur oxides (SOx), 8,377.20 kg of nitrogen oxides (NOx), and 455.48 kg of particulate matter (PM). 71,421.38 tonnes of carbon dioxide equivalent (tCO₂e), which include carbon dioxide, methane, nitrous oxide, and hydrofluorocarbons, was also emitted. The intensity was 0.0072 tCO₂e/m² of total area, or 32.79 tCO₂e/employee.

Scope of GHG emissions	Emission sources	GHG emission (tCO ₂ e)	Sub-total (tCO ₂ e)	Total GHG emission (%)	
Scope 1 Direct emission	Combustion of fuels in stationary sources	Natural gas	17.53	35,717.54	50.0%
		LPG	33,712.73		
		Diesel	505.23		
	Combustion of fuels in mobiles sources	Petrol	370.90		
		Diesel	1,039.93		
Release of refrigerants from the operation of equipment and systems	71.22				
Scope 2 Energy indirect emission	Purchased electricity	35,770.40	35,774.47	50.1%	
	Purchased Towngas	4.07			
Assimilation	Assimilation of carbon dioxide through tree planting	-70.63	-70.63	-0.1%	
Total			71,421.38	100%	

Note 1: Emission factors were made reference to Appendix 27 of the Listing Rules and their referred documentation as set out by the Stock Exchange, unless stated otherwise.

Note 2: Combined margin emission factor of purchased electricity of 0.6101 tCO₂e/MWh was used for the National Grid of PRC, 0.8200 tCO₂e/MWh was used for Macau, 0.9130 tCO₂e/MWh was used for Vietnam, and 0.3102 tCO₂e/MWh was used for the Russian Federation.

Note 3: Scope 1 Combustion of Towngas includes GHG emitted during combustion of Towngas within the organisational boundaries; Scope 2 purchased Towngas includes GHG emitted within Towngas Ltd when Towngas was produced.

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Waste

Suncity has a range of policies in place to reduce its operations' waste generation. For example, electronic administration and documentation is encouraged and cloud-based working environment are developed to reduce the need for printing; when printing is inevitable, duplex printing and reuse of single-sided printed paper is preferred, the usage of which could be traceable such that sources of heavy printing can be identified and controlled. In washrooms where the operations have control over, hand dryers are provided as an alternative to tissue paper.

To properly handle and treat waste, recycling bins are placed with simple instructions when appropriate for recycling, printer toner cartridges, ink boxes, and batteries are gathered to be sent to qualified collectors, who would treat them without causing harm to the environment. Where appropriate, Suncity also wishes that it can compost food waste and organic waste at operating sites, such that it can turn them into useful nutrients for landscaping, lessening stress on the landfills.

At larger operations, such as HOIANA and Tigre de Cristal, a long-term goal of halving the amount of waste sent to landfills in 2021 has been set. It is expected to be achieved by moving towards a more circular model, cooperating with suppliers to reduce waste generation at source, and making use of its waste segregation facilities to extract reusable waste and stream them to recyclers and relevant processors. It plans on involving the local community in managing and operating the segregation centre, such that waste reduction efforts can become more large-scale while providing job opportunities. Waste awareness programmes for employees and integration of such elements into standard operational procedures are expected to be introduced to facilitate such plans.

During the Reporting Period, the Key Operations generated 28.47 tonnes of hazardous waste and 957.92 tonnes of non-hazardous waste. HOIANA and Tigre de Cristal have undergone a very tough period during outbreak of COVID-19 in 2021. Stringent precaution was introduced in our operation to prevent the spread of the pandemic. 85% of the hazardous waste was generated by quarantine medical waste.

Waste generated		Amount (tonnes)	Treatment method
Hazardous waste	Printing cartridges & lighting, accumulators etc	4.33	Collected and treated by qualified handler
	Quarantine medical waste	24.14	Collected by qualified handler and was eventually incinerated
Non-hazardous waste	Domestic waste	733.54	Landfilled
	Organic waste	186.67	Collected and treated by qualified handler (will be used for gardening in the future)
	Waste cooking oil	17.70	Collected and treated by qualified handler
	Others	20.01	

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Energy

Energy conservation and reduction of energy waste is always instrumental to members of Suncity. To minimise emissions from electricity consumption, Suncity has a range of energy conservation measures to ensure efficient energy use. Practices such as arranging regular maintenance for electrical appliances, installing LED lights when a replacement is necessary, switching off idle appliances, and setting timers for heating and cooling systems, have been adopted to maximise electricity efficiency. When applicable, motion sensor elevators are used so that less power is consumed when no one is using the facility; energy saving control systems, where air conditioning or lighting supply are adjusted under different situations, are also in place. To reduce fuel consumption, only environmentally friendly vehicles are purchased, and route plans that cover more destinations are developed to reduce vehicles use. Suncity has installed solar panels at HOIANA to make use of renewable solar energy and reduce its reliance on purchased electricity. As of the end of the Reporting Period, the rooftops of various buildings in the resort village contain some 2,000 solar PV modules, supplying a portion of the power necessary for the operation.

Suncity will continue to explore possibilities of reducing purchased energy use, including installing and powering solar panels and adopting more efficient heat recovery systems, where possible.

During the Reporting Period, a total of 211,224,402 kWh of energy was consumed by the Key Operations. The intensity was 21.24 kWh/m² of total area, or 96,980.90 kWh/employee.

Energy used	Consumption	Unit	Consumption in kWh
LPG	11,174.05	Tonne	155,443,428
Towngas	8,640.00	m ³	85,046
Diesel	582,166.61	litre	6,231,066
Petrol	139,607.09	litre	1,352,982
Electricity	48,111,880.37	kwh	48,111,880
Total energy consumption			211,224,402

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Water

Aside from consuming water for daily use, Suncity consumes water also for its swimming pool facilities, kitchen, and amenities, in its property development and integrated resort operations. While water supply was stable and there was no issue in sourcing water that is fit for purpose, Suncity acknowledges it as an important and scarce resource of the planet that shall be reserved. Hence, water consumption is strictly monitored. Employees are reminded to efficiently use fresh water. When any unnecessary usage is identified, measures would be implemented for improvement. Most water used by Suncity is sent to centralised sewage treatment centres managed either by the government or other third parties, whereas the rest treats its own water before discharging. The integrated resort in Vietnam reuses grey water for flushing and uses water from a dedicated custom-built reservoir for landscape irrigation to reduce fresh water consumption. The grey water plant within the resort has a capacity of treating 434 m³ of grey water per day. There shall not be any environmental pollution caused by Suncity's water consumption that cause serious concern.

During the Reporting Period, the property leasing operation in PRC, HOIANA, and Tigre de Cristal in Russia consumed 337,479 m³ of fresh water, with an intensity of 0.03 m³/m² of total area, or 154.95 m³/employee. The rest are excluded either because there was no information on such consumption or there was no consumption during the Reporting Period.

Environment and Natural Resources

Efficient management of environmental and natural resources reduces operational costs and benefits society as a whole. Even though Suncity's operations do not generate significant impact to the environment, nor involve direct use of natural resources, it acknowledges the indirect environmental impact caused by its businesses.

To minimise its impact on the environment, it prioritises the use of cleaning agents that are biodegradable and phosphate free when possible. It also sources supplies from local areas, and adopts a circular economy if possible, for sustainability. All of these initiatives are addressed through a unified sustainability charter.

Suncity continues to review the environmental impact of its operations and makes use of best practices across its business operations. It is also developing monitoring systems over resource consumption, to identify and implement better performance strategies to enhance environmental sustainability through good environmental practices. Suncity actively seeks opportunities to contribute to sustainability wherever possible and is determined to achieve realistic targets by adopting the abovementioned practices.

OUR EMPLOYEES

Suncity regards employees as highly intrinsic assets to its development. It strives to provide employees all fundamentals, such as work satisfaction, health, and all-rounded support, for their professional growth and competency enhancement. Suncity hopes by focusing on employees' inclusion and engagement, well-being, and skills building, their fullest potential can be unleashed. To achieve so, on top of complying with all relevant ethical and regulatory standards, fair and comprehensive employment policies and practices have been established.

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Employment and Labour Practices

Suncity stringently follows all relevant laws and regulations relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. All such terms and policies are clearly stated on the Employment Agreement and the Employees' Handbook. During the Reporting Period, there was not any noted case of non-compliance.

Compensation and Benefits Package

Employees of Suncity are entitled to a basic salary with a discretionary bonus as per their job positions, responsibility, capability, contribution, performance, experience, and other attributes. Suncity reviews employees' salaries annually in accordance with its business growth and market price.

Apart from monetary form of remuneration, non-monetary form of basic benefits, including annual leave, Mandatory Provident Fund Scheme (MPF), medical insurance, sickness allowance, marriage leave, bereavement leave, maternity or paternity leave, and pension.

Equal Opportunity

Suncity commits to the principle of equal opportunities during recruitment, selection, training, development, and promotion. No employee shall be discriminated against or deprived of opportunities on the basis of race, colour, nationality, ethnic or national origin, religion or belief, disability, trade union membership or non-membership, sex, sexual orientation, pregnancy and maternity, gender reassignment, marriage/civil partnership, age, or based on being a part-time or fixed term worker. Individuals shall be selected, promoted, and otherwise treated solely on the basis of their relevant aptitudes, skills, and abilities. Management is responsible for protecting employees or job applicants from discrimination of any kind, and any unlawful discriminatory action brought to their attention is to be treated with great care.

Harmonious Working Environment

Not only is diversity embraced within Suncity, but also the maintenance of a working environment free from harassment and bullying where every employee feels safe is treated with respect and dignity is also a top priority. Suncity takes a zero-tolerance policy against any intimidating, hostile, degrading, humiliating, or offensive actions and behaviours, no matter physical or verbal, with or without the abuse of power or position. Any of such harassment or bullying is strictly prohibited and is treated as misconduct which may result in warranting dismissal. Anyone filing a complaint or assisting in an investigation shall be protected from intimidation, victimisation, or discrimination. Retaliating against an employee for complaining about harassment or bullying is a disciplinary offence.

Employee Communication

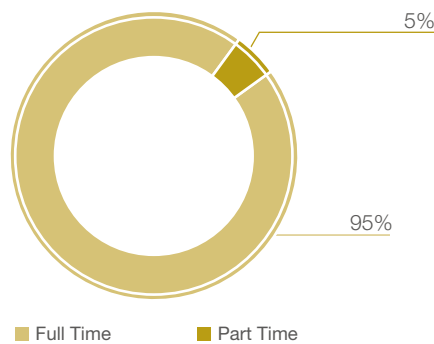
Suncity regards communication and engagement with employees as important elements for them to feel valued, empowered, and motivated. Such efforts are also viewed as essential for the improvement of team cohesion and enhanced work performance. During the Reporting Period, aside from providing channels for employees to voice their views, staff activities were also organised online for employees to bond and exchange opinions outside of work under COVID-19 pandemic limitations while protecting employees' health and safety.

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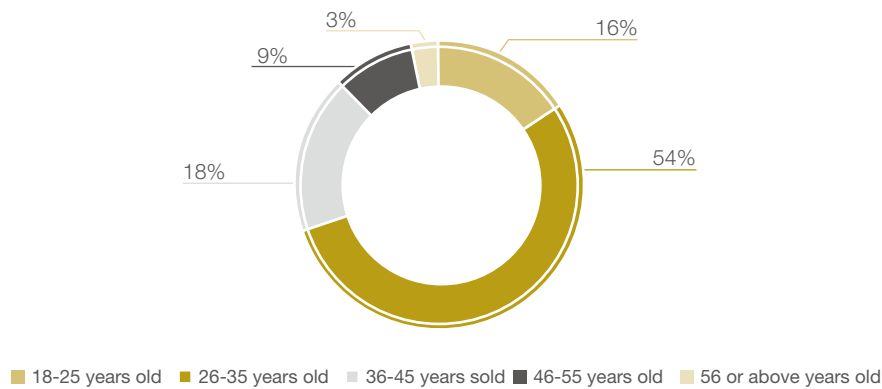
Employment Figures

During the Reporting Period, Suncity complied with all applicable laws and regulations in all jurisdictions, and did not note of any material non-compliance relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, discriminations and other benefits and welfare. As of 31 December 2021, the Key Operations, employed 2,178 employees, 95% of whom worked full time. 49% of all employees were engaged in HOIANA, and 45% of were engaged in Tigre de Cristal. The gender ratio between males and females was about 1.16:1. The graphs below show the workforce distribution by employment type, age group, nationality, gender and employee category:

Total Workforce by Employee Type

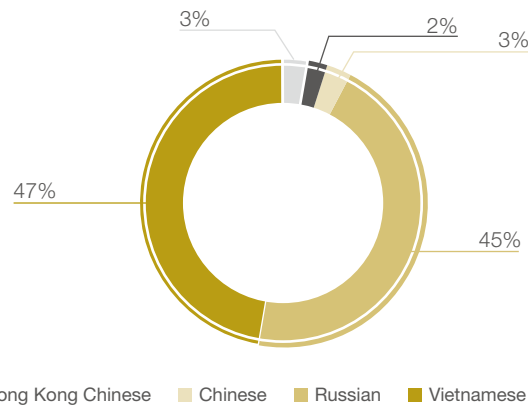


Total Workforce by Age Group



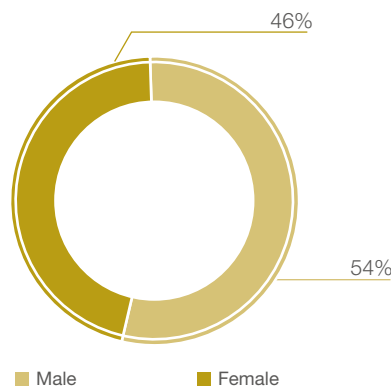
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Total Workforce by Nationality

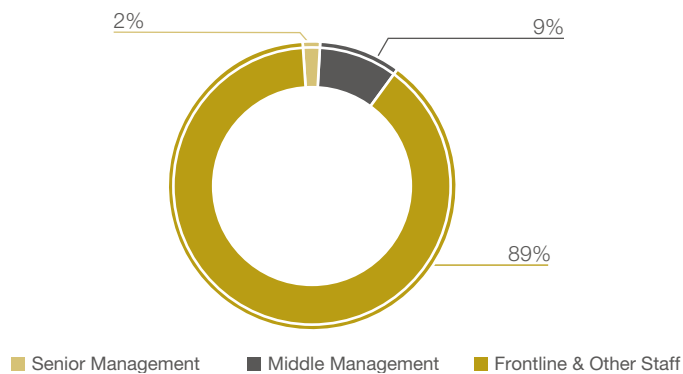


Note: "Others" include, Filipino, Australian, Singaporean, Korean, Macanese, British, American, French, Canadian, South African, Bulgarian and Malaysian. They each contribute to less than 3% of the workforce.

Total Workforce by Gender



Total Workforce by Employee Category



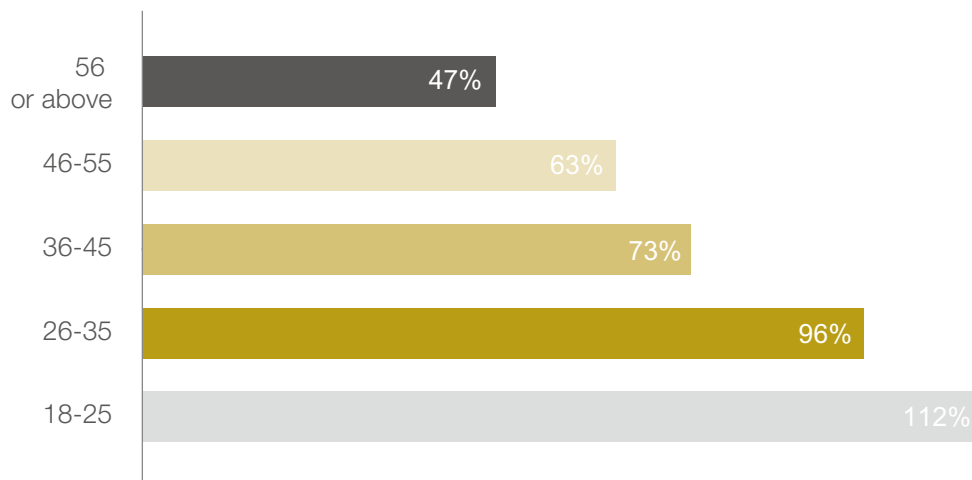
Note: Senior Management refers to Directors and CFO, Middle Management refers to manager grade or above employees, and Frontline & Other Staff are all other general staff.

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Employee Turnover Rate

Suncity strives to maintain the employee turnover rate at an acceptable level to facilitate the accumulation of professional skills and experience. During the Reporting Period, the overall employee turnover rate of the Key Operations was about 90%.

Turnover Rate by Age Group

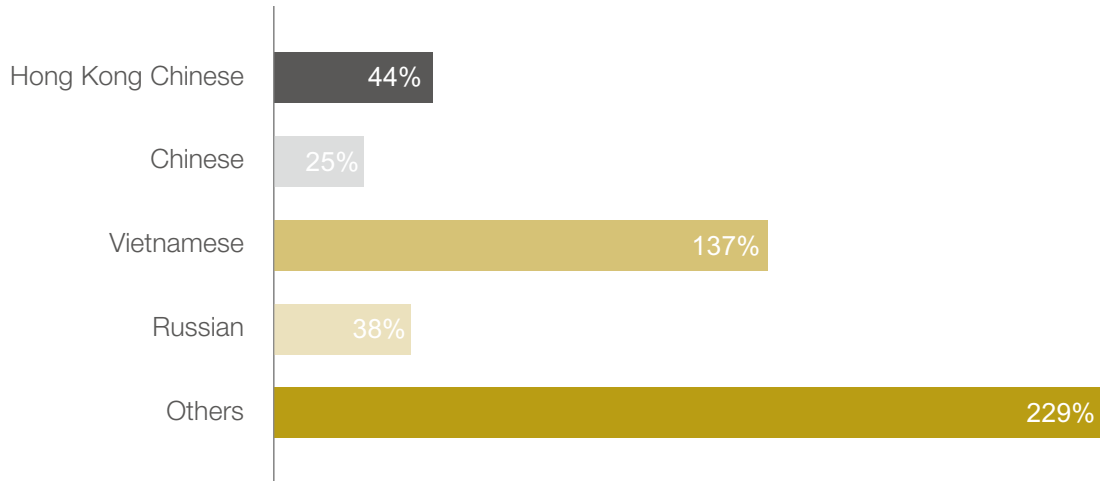


Turnover Rate by Gender

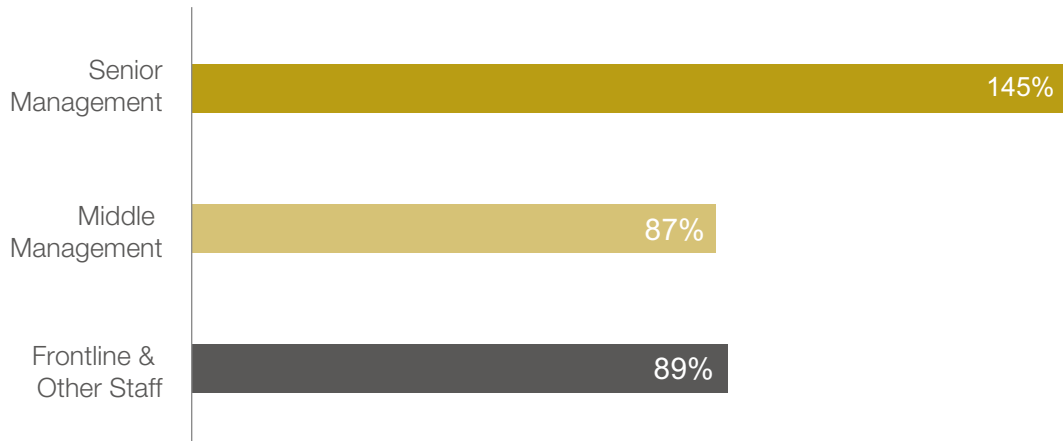


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Turnover Rate by Nationality



Turnover Rate by Category



Note: Turnover rate = (number of employees who left the operations during the Reporting Period / number of employees working at the operations as of 31 December 2021) x 100%.

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Employee Well-Being

Suncity follows all relevant laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards. No noted non-compliance that has a significant impact on Suncity has been noted. On top of providing basic medical benefits, Suncity has a series of preventive measures to prevent putting employees' health and safety in jeopardy.

Occupational Health and Safety

Suncity strives to provide and maintain a safe and healthy workplace for all employees. To protect the health of all employees, all workplaces, including vehicles, are smoke-free. Safety rules and general procedures are established and placed in notable locations for easy reference. Fire extinguishing tools, escape routes, and relevant procedures are familiarised by employees in case of any emergency events, and the functionality and safety of such tools are regularly inspected by professionals. Ventilation, humidity, and greening are controlled in working environments to make workplaces more pleasant. Suncity also encourages employees to raise any potential hazard or working conditions if there is a concern. To reinforce and cultivate the safety awareness of employees, regular safety training is arranged.

If outdoor work or those that require physical labour is required, e.g., work at construction sites, work in facility management, laundry, firefighting prevention, all necessary equipment and protective gear would be provided to protect employees' occupational safety.

COVID-19 Reactions

2021 was a difficult year for Suncity due to the ongoing global outbreak of COVID-19. Suncity strived to strike a balance between ensuring safety while keeping the operations running to secure income for employees.

Suncity kept on high alert and released up-to-date information promptly whenever any cases worthy of concern were identified. Levels of susceptibility would also be informed such that employees did not worry overly while still staying vigilant. The major measures that Suncity has taken to protect employees' health and safety during the pandemic include:

- Establishing a taskforce to keep track of COVID-19 developments
- Adopting flexible home-officing plans, if possible
- Strengthening health surveillance and hygienic measures, such as, measuring body temperatures, wearing a surgical mask, disinfecting shared items and areas, etc.
- Requesting employees to disclose situations which may have exposed them to the virus
- Covering COVID-19 testing expenses at private clinics and all relevant eligible outpatient services
- Granting any statutory sick leave in accordance with the Employment Ordinance, if an employee is required or ordered to be put under medical surveillance or quarantine

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- Reducing contacts with other parties and logging records of visitors if meeting at Suncity's premises is inevitable
- Encouraging social distancing and the purchase of take-away meals

During the course of the COVID-19 pandemic, staff who were infected were placed in quarantine according to local protocols and allowed to resume work upon discharge.

Occupational Safety Figures

The efforts in safety and health have been paid off and Suncity aims to minimise any work-related injury, loss or fatality in upcoming years.

During the year ended 31 December 2021, Suncity was not aware of any non-compliance with the laws and regulations relating to providing a safe working environment and protecting employees from occupational hazards. There was a total of 102 days lost due to minor work-related injuries at Tigre de Cristal. No work-related fatal accident was reported in the past three years.

Development and Training

Suncity places a strong emphasis on employees' professional development as it is believed that learning is a shared responsibility.

There are various in-house as well as external learning opportunities that Suncity offers its employees. In terms of formal training, there are induction programmes for Suncity's new recruits to get to know Suncity's background, culture, structure and systems, workflows, etc., as well as regular training on updated industry knowledge or revision of best practices, such as occupational and fire safety, code of conduct, professional skills, supervisory skills, customer services, etc.

Other settings where learning opportunities are provided include office seminars and workshops:

- where employees gather to discuss, practice, and exchange experiences to learn from one another; community or civic events
- where employees are encouraged to affiliate with communities and organisations for professional writing and public speaking experiences; and to attend professional organisations and conferences
- for which employees are reimbursed if they join and attend to gain industry insights

Suncity also encourages employees to identify their own objectives and take an active role in their development according to their own needs and pace for a more effective outcome. Identification of training needs and evaluation of their effectiveness is carried out by regularly reviewing employees' performance and competence and referring to requirements of relevant laws and regulations across all jurisdictions.

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Training Figures¹

During the Reporting Period, 81% of the employees from the operations in Hong Kong, Macau, Russia and Vietnam were trained. The average hours of training completed by each employee in these operations was 29.9 hours.



¹ Only the operations in Hong Kong, China, Russia and Vietnam are included in the calculation of training statistics.

Labour standards

Suncity complies with all relevant laws and regulations to safeguard the rights of its employees. Labour exploitation, such as child labour or forced labour, is strictly prohibited and not tolerated. To avoid such practices, background checks are conducted for every new employee to verify their age and legal eligibility of working for Suncity. Mutual agreement must also be obtained before the commencement of any employment relationships. If any violation is discovered, the contract would be terminated with immediate effect. This practice is also required for workers hired by Suncity sub-contractors, where applicable. During the Reporting Period, no material non-compliance with laws and regulations relating to preventing child and forced labour was noted.

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OPERATING PRACTICES

Supply Chain Management

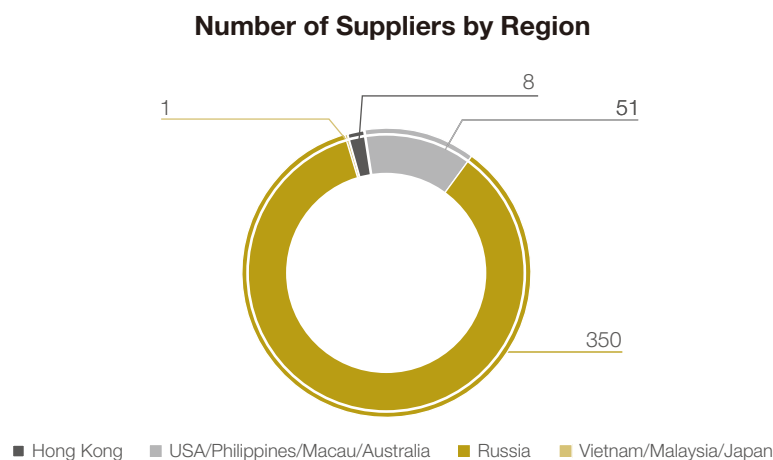
Suncity tends to maintain long term relationships with its suppliers to ensure a stable supply of services provision by Suncity. When selecting suppliers and contractors, Suncity's top priority is to minimise the potential risks brought by cooperating suppliers to Suncity. Apart from compliance with relevant legal requirements, supply stability, quality and reputation, the ESG performance of potential suppliers are also considered to ensure that they can add value to Suncity's pursuit of sustainability excellence.

As Suncity's businesses are dispersed across multiple regions, identification of environmental and social risks and the promotion of environmentally preferable products and services vary. Nevertheless, all operations acknowledge the need to address ESG risks along the supply chain. Depending on the jurisdiction the business operates in, some have policies that focuses on the environmental performance of suppliers, some reviews the occupational health and safety protection and policies of contract employees offered by contractors, while others put an emphasis on evaluating and preventing corruption, bribery, extortion, fraud, and money laundering risks.

In general, at least two to three suppliers are involved in the tendering process where possible to ensure a fair and transparent quotation. If the suppliers all meet the sustainability prerequisites, priority is given to local suppliers to promote local economic development and reduce carbon footprint.

Suppliers Figures

During the Reporting Period, the operations in Hong Kong, Macau, Mainland China, and Russia engaged 410 major suppliers who provided legal and professional services, equipment, and travel related services. Most of them were near the operating location.



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Product Responsibility

Suncity pays high attention to the quality of products and services provided. It recognises its responsibility in meeting the expectations of customers, business partners, and all other stakeholders while operating. During the Reporting Period, Suncity complied with all relevant laws and regulations relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress. There was not any material noted non-compliance.

Customer Health and Safety

An immense level of concern is put on assuring that all services provided and products sold fulfil statutory requirements and beyond, especially for Suncity's servicing businesses. The Standard Operating Procedures (SOPs) are also available to spell out the processes and actions to be taken under different security related scenarios. This is enacted by conducting strict inspections to maintain a high standard of products used for the performance of Suncity's services. During the Reporting Period, the prevalence of COVID-19 posed a huge threat to Suncity's servicing businesses and increased their risks of impacting customers' health. When the premises re-opened, measures such as flow control, temperature checks, and provision of basic sanitising products were adopted. The health conditions of all premises are also closely monitored to avoid the spread of the virus by Suncity's employees.

At operations where food is served, Suncity takes a strict screening and selection procedure to ensure food safety and eliminate any risks.

During the Reporting Period, no attention was raised regarding the health and safety of the products sold.

Customer Service

Customer feedback and satisfaction is regarded as a key channel for evaluating the performance of Suncity's product and service provision. To enable communication and feedback, there are hotlines, feedback forms, and regular consultation and meetings, available for customers to provide their opinions. Any negative opinion deemed constructive would be reviewed and discussed by management in a professional manner. The complainant may be further contacted to obtain more details and opinions for improvement and rectification work. It is Suncity's aim to have only customers who are content. No complaint related our products and services was received during the Reporting Period.

Intellectual Property

Suncity strictly observes the intellectual property rights of all parties, including those of Suncity's, its suppliers, competitors, clients, and other organisations. Suncity is aware of the procedures of obtaining, perfecting, and protecting its intellectual properties and gives instructions to employees on how they shall be executed.

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Data Protection and Privacy

Due to the wide range of data that Suncity processes and handles for its operations, data protection is regarded as the most material topic among stakeholders. Suncity recognises its responsibility in protecting private information of its customers, business partners, and clients. It also strives to protect any confidential dealings, trade secrets, intellectual properties, or any other knowledge that is not publicly available.

Employees shall respect privacy and keep personal data obtained, held, and processed during the business process confidential in accordance with relevant confidential requirements as set out in internal policies to protect the privacy of customers. At no given time shall such information be disclosed or used beyond the purpose of the collection purpose as instructed by Suncity. Any breach of such policies may face termination of employment without prior notice. Non-disclosure agreements are also made with external parties to ensure no sensitive information is leaked before any of them are made public.

During the Reporting Period, Suncity was not aware of any non-compliance with relevant laws and regulations related to customer data protection.

Responsible Gaming

Suncity has a Responsible Gaming Commitment for its gaming premises, which strives to provide guests an enjoyable gambling experience while minimising any harmful consequences. Suncity is committed to complying with all applicable laws and regulations and collaborating with the government to help guests make responsible gaming decisions. Under the Responsible Gaming Awareness Program, all employees working at the Key Operations' gaming premises are trained and assessed annually on responsible and problem gambling, and signs worth attention for assistance providence. Some of the safeguards within the programme include:

- Casino Self-Exclusion – Interested patrons may apply for self-exclusion from entering casinos
- Casino Entry Checks – Entry made available to patrons above 18 years old
- Responsible Service of Alcohol
- Gambling Product Information – Game Rules made available to patrons to educate them on chances of winnings and house advantage information
- Assistance and Support – Responsible Gambling email group available to patrons and displayed via pamphlets or information displays in the casino

Anti-Corruption

Suncity places great importance on the ethicality and integrity of its employees. Suncity complies with all relevant laws and regulations relating to anti-competition, bribery, extortion, fraud, and money laundering. To prohibit bribery and corruption, strict and clear internal-control policies and well-structured business processes are designed for employees and suppliers to follow when carrying out business activities. During the Reporting Period, no noted cases of non-compliance nor illegal practices regarding corrupt practices had been identified in any of Suncity's operations.

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Suncity strictly prohibits the receipt and offering of bribes to affect the placing of an agreement with suppliers or the securing of business. Any occurrence of such misconduct or dishonesty may result in the termination of the employment.

To prevent such behaviours, clearly written terms and code of conduct are stated and agreed upon in the employment contract. Anti-corruption training is also provided upon employees' entrance into the company as well as regularly at the course of employment. Senior management and the Board, who have a huge responsibility in governing Suncity's anti-corruption performance, are encouraged to attend specifically designed courses organised by authorities, such as the Stock Exchange and ICAC to strengthen their understanding.

External professionals are also especially engaged to assess and review the adequacy and effectiveness of the Suncity Group's internal controls for anti-money laundering of Suncity's casino operations. Assessment of internal controls is regularly reviewed and updated to strengthen the control over such practices.

A whistleblowing policy has been established to govern the receipt, retention, and treatment of complaints regarding malpractice, impropriety or fraud relating to Group's accounting, internal accounting controls, auditing matters and suspected breaches of the Group Policies. All complaints will be reviewed in accordance with the policy review procedure. The person assigned to investigate a complaint will conduct an investigation and report the findings or recommendations to the Audit Committee, including recommended disciplinary or corrective action. The violation shall be immediately reported to the proper governmental authority if legally required.

The Group will make every effort to keep all whistleblowing reports and identities of employees who have made reports confidential. In no event will there be any retaliation against someone for reporting an activity that he or she in good faith believes to be a violation of any law, rule or regulation.

OUR COMMUNITY

Suncity regards promoting the well-being and prosperity of the region as its responsibility. It proactively makes contributions to various community activities and explores community investment opportunities which can meet the needs of society.

Well-Being

With a view to combating the COVID-19 pandemic, the health and safety of its staff and customers was Suncity's top priority during the Reporting Period. Suncity has implemented intensified precautionary measures in its Hong Kong office as well as properties overseas to achieve the highest degree of health and safety vigilance, in accordance with advisories and protocols issued by local and international authorities. Some of the measures included: mandatory mask-wearing, body temperature checking, and social distancing; frequent deep cleaning and disinfection of public areas and common touch points; provision of face masks and hand sanitiser to guests upon request; request for health declaration from all contractors and other third parties who visit Suncity's properties; regular cleaning of air filters and air conditioning systems; and briefing all staff on enhanced personal hygiene.

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Community Participation

Suncity regards promoting well-being and prosperity for the region as its responsibility. To this end, it has proactively engaged in diversified community activities and developed community investment strategies to cope with the development needs of the local community, while actively contributing to society.

Suncity also encourages employees to seek opportunities, participate more in charity work in the future and get involved in various community programs, such as community health initiatives, sports, cultural activities, volunteer work and education. Below are some of the highlights of events in the reporting period:

- On 22 April 2021, our volunteer team in Tigre de Cristal went to the boarding school of I type (deaf children) for carrying out a charity event “Let’s clean up!”. Together with the children, we freshened up the school’s surrounding area – whitewashed the trees and curbs, painted pull-up bars and just had a lot of fun on that sunny day!
- On 27 April 2021, our volunteer team in Tigre de Cristal went to Artem special (correctional) boarding school for carrying out a charity event “Cleaning day”. Together with the children our team helped to clean the territory, whitewashed the trees and curbs. We were inspired by high spirits, positive energy and a very special atmosphere.
- On 29 September 2021, the team of volunteers was at Artem special (correctional) boarding school for carrying out a charity event “01!”. We introduced the rules of fire safety.
- On 23 December 2021, our volunteer team together with children from Artem special (correctional) boarding school went to the Art Park. We made various art workshops, enjoyed good weather and great mood.
- In January 2021, our volunteer team of HOIANA donated US\$4,300 in cash and US\$3,700 in engineering services to VinaCapital Foundation for carrying out a charity event “Our hearts to central Vietnam” campaign in Nam Tra My district.
- In May 2021, HOIANA donated a COVID-19 testing machine to Quang Nam People Committee
- In June 2021, our volunteer team of HOIANA participated in the “Study Steps Tutoring” program organised by the Children of Vietnam in Duy Xuyen/Thang Binh district. A total of US\$11,550 was donated for the coming 3 years program expenses.
- In August 2021, HOIANA donated US\$25,000 to the VinaCapital Foundation for carrying out the “Help Vietnam Breathe” project.

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